

TRANSCRIPT of the 2008 CED Outreach Conference Call of May 16, 2008

Community Economic Development Discretionary Grant Program *Conference Call for Organizations Interested in the Community Economic Development Program*

Friday, May 16th, 2008 1:00 – 2:00 pm

RAFAEL

Welcome to the 2008 Office of Community Services, Community Economic Development Program Announcement Conference Call for Community Development Corporations interested in applying for a Community Economic Development grant.

My name is Rafael J. Elizalde; I am the Team Leader for the Division of Community Discretionary Programs. Today my team and I will present important information about the Community Economic Development (CED) grant competition based on the Program Announcement published on April 17, 2008.

You may download a copy from the Office of Community Services website at <http://www.acf.hhs.gov/grants/open/HHS-2008-ACF-OCS-EE-0024.html>

With me today are five of our Community Economic Development Specialists:

Mr. Thomas Brown, Ms. Cathi Beck, Ms. Leanna Fox, Mr. Gerald Shanklin and Ms. Carolalene Giles.

This conference call will last approximately 45 minutes. We hope that you have also downloaded a Power Point Slide presentation from our website to follow

along. If you have not taken an opportunity to download the presentation, the presentation is located at

www.acf.hhs.gov/programs/ocs/dcdp/ced/

Before I start the presentation, I would like to introduce a few acronyms:

OCS – (refers to the) Office of Community Services

CED -- The Community Economic Development Program

CDC -- Community Development Corporation

The purpose of the Community Economic Development program (or CED) is to create new employment and business development opportunities for low-income individuals and to revitalize distressed communities. This year, CED has a special focus on the creation of jobs in the High Growth Initiatives. The High Growth Initiatives are several sectors that have been specifically identified as industries where persons can obtain jobs with specific career training or education and where jobs are expected to increase within the foreseeable future. Jobs which are obtained in these high growth industries are expected to lead to career progression opportunities and increased self sufficiency.

CED projects are expected to further the Department of Health and Human Services goals of strengthening families and promoting self sufficiency. The CED program seeks to assist projects which have the long-term potential to achieve public-private partnerships that create employment and business opportunities for low-income persons and that have the potential to revitalize communities.

Funded projects must result in the creation of new full time jobs for low-income individuals through a variety of ways: Business start-ups, Business expansion(s) development of new products and the provision of services.

We are targeting to assist low-income individuals such as: unemployed individuals, public assistance or TANF recipients, custodial and non-custodial parents, residents of public housing, persons with disabilities, homeless individuals and formerly incarcerated individuals returning to the community. In FY 2008, these persons must receive 90 percent of all jobs proposed for creation.

Let me introduce you to **CATHI BECK**, who will assist us by guiding us through the announcement.

CATHI:

Thank you Rafael, let me say that it is a pleasure to assist our applicants in preparing for this FY 2008 competition. Historically, we receive 250 – 300 applications and are able to fund approximately 36 to 45 projects. In FY 2008, we have an additional \$2,000,000 that can be awarded. With this additional funding, we anticipate that we will be able to fund up to 51 awards for FY 2008. Awards this year will be extremely competitive; applicants that propose projects in any of the high growth industries and applicants from traditionally OCS underrepresented states such as Iowa, Nebraska, Nevada, North Dakota, Utah and Wyoming will receive additional bonus points added to their application's score.

Let me take an opportunity to explain more about the high growth industries. OCS recognizes that many of its most successful projects are able to offer job opportunities with living wages, health benefits, and career advancement opportunities. The Department of Labor has identified specific job sectors which are emerging and growing areas which may offer longer term opportunities for all persons, including low-income persons. As we here in the Office of Community Services think about the elements that go into promoting long-term progression

toward self-sufficiency, we believe that promoting job creation in these high growth sectors is an appropriate next step.

The sectors that have been identified are:

Advanced Manufacturing, Aerospace, Automotive, Biotechnology, Construction, Energy, Financial Services, Geospatial, Health Care, Technology, Homeland Security, Information Technology, Retail and Transportation.

Now I would like to ask **LEANNA** to please explain who is eligible to apply.

LEANNA (*answers*)

Thank you **CATHI**. Eligible applicants are *PRIVATE* - Non-Profit organizations with 501 (c) (3) IRS status as well as Faith-based community organizations that meet the CDC eligibility requirements.

For the purpose of this grant competition, Community Development Corporations or **CDCs** are private non-profit organizations that are first, governed by *a board that consists of residents of the community and business and civic leaders* and second, have as a principal purpose planning, developing, or managing low-income housing or other community development projects. CDCs were started by community resident groups and residents sitting on their boards, because they know the needs of their communities better than anyone. OCS sees this investment in the residents leads to a feeling of ownership by the community in the CED projects.

Therefore, all organizations are required to provide documentation of their 501 c 3 private non profit status, AND provide documentation of the CDC eligibility.

Our CED Program Announcement requires organizations to provide a listing of the board members designating who is a resident, who is a business leader and who is a civic leader.

How can an eligible organization apply *Carolalene*?

CAROLALENE (answers)

Well **LEANNA**, after an organization determines that it meets the eligibility requirements and intends to apply we request that the organization voluntarily submit a *letter of intent*. Failure to submit this *letter of intent* will not disqualify an organization from competing in the grant competition. Then, the organization must prepare a clear, concise and well-written application. Applicants should write for the audience of field reviewers professionals who are experienced in various aspects of community economic development including: banking, business development, and non-profit management. The application should be well-organized for the reader and lead the person who reads through a logical explanation of the applicant's proposal.

The organization's application must be **RECEIVED** by the OCS operation center, no later than **Wednesday, JUNE 25, 2008 at 4:30 pm Eastern Time**.

Applications received after this date cannot be considered.

GERALD:

There are two ways to submit applications:

1- ELECTRONIC, through the internet web portal at www.GRANTS.GOV, and following all the instructions.

Please NOTE that the registration process for **GRANTS.GOV** can take up to five days. In addition, you must UPDATE your registration annually. It is to your benefit to please not wait until the last minute.

Or

2- HARD-COPY, by mail or hand-delivered to the **OCS Operation Center, 1515 Wilson Blvd., Suite 100, Arlington, VA 22209**. This address is also referenced in Section IV.6 in the program announcement.

Also, Hard copy submissions must provide one signed original application and two copies.

THOMAS, would you please tell us about the application requirements?

THOMAS (answers...)

For applicants who have applied for a CED grant in the past, you will notice there are some major changes in the organization of this year's announcement. We hope these changes will lead to awarding more grants that will ultimately meet their goals.

There are ten major components to the application:

Project Summary/Abstract, Objectives and Need for Assistance, Results or Benefits Expected, Approach, Third Party Agreements and Third Party Financial

Viability, Cooperative Referral Agreements, Budget/Budget Justification, Organizational Profile, Evaluation, and Bonus Points.

These components should be organized such that a reviewer will be able to follow the application. Keep in mind the review period moves very quickly and reviewers should not have to hunt for elements in your organization's application.

Let's us briefly talk about each component:

1. PROJECT SUMMARY/ABSTRACT

The project summary is a brief statement describing the community where the project will operate, who the project will serve and the types of jobs proposed for creation. The abstract should not exceed one or two paragraphs or 350 words.

2. OBJECTIVES AND NEED FOR ASSISTANCE

Organizations must document how the project addresses a vital need in a distressed community. Reviewers will rate the application based on how well the applicant clearly describes the target population, the target geographic service area, and the needs of the service area and the rate of poverty that exists in the community. Documentation should show at a minimum that both the unemployment rate and poverty level for the targeted neighborhood or community are equal to or greater than the State or national level using recent available statistics from published sources, (e.g., the recent U.S. Census or updates, the State, county, city, election district, and other information which are provided in support of its contention). The application should state whether the applicant is an active partner in either a new or ongoing comprehensive community revitalization project such as a federally designated Empowerment Zone/Empower Community,

or Renewal Community; and/or whether the target community is a State-or local government-supported comprehensive neighborhood revitalization project; or a private sector-supported community revitalization project.

CATHI:

3. RESULTS OR BENEFITS EXPECTED

Here, we are asking applicants to link the low-income persons to the jobs and vice versa link the jobs to the low-income persons. CED is not a grant to industry in and of itself, it is a mechanism to employ low-income individuals and revitalize economically distressed communities. We are also asking here for the plan for sustaining the created jobs after federal support ends.

Reviewers will rate the applications on how well the applicant has communicated the benefits that will come as a result of the proposed project that also addresses the systemic barriers to employment and business development and how this project will address and provide support for these needs.

The applicant must demonstrate how the project has the ability to produce measurable results that will reduce the incidence of poverty in the community and lead TANF recipients and other low-income persons from dependency on public assistance toward economic self-sufficiency.

4. APPROACH

This is the meat of the proposal. A lot of what is asked for in this section is similar but needed information of what we previously asked for in the business plan section.

The first piece of the approach section should identify what kinds of jobs that will be created, the outlook for the industry of the jobs, any critical risks or assumptions relied upon and milestones to check the progress of the project. This section must address how your targeted, low-income population will access these new jobs including a plan to offer any needed support.

Applicants must identify how many full-time jobs will be created with the anticipated wages and benefits and any expected increases that could come from retention and promotion.

Another new aspect this year is that 90% of all jobs created must be filled by low-income persons. The applicant needs to describe how it will locate low-income persons to fill the jobs and any support it will offer in order to address the barriers to employment experienced by the low-income persons.

Another change this year is that the cost per job has been increased. This year, the cost per job is \$15,000 if a project does not involve construction and \$20,000 if a project involves construction.

GERALD:

The final aspect of the approach section is the financial underpinnings of the project. We want to see clear evidence that the project is financially viable. An applicant should include all of its additional funding for the project in the proposal.

If a *construction project* is involved, evidence should be provided that addresses the predevelopment, architectural, engineering and environmental studies,

acquisition of permits for building, and use and occupancy costs that are required for the project. Evidence provided should include profit and loss forecasts, cash flow projections, balance sheets, and a *Sources and Use of Funds Statement* for all funds available to the project.

If the project is a *non-construction project*, then these items should support the first three years of the project; and if the project is a construction venture, these items should support the first five years of the plan. We want to see evidence of how the project will operate at least two years after the end of the CED project period.

CATHI:

There are a lot of critical changes from last year's announcement. So, before we go on, let's recap a couple of these critical changes:

A. The new approach section encompasses what we formerly asked applicants to include in the business plan section. We are not only concerned about the businesses and jobs, but we are equally concerned about how low-income persons will obtain and keep those new jobs. .

B. We have a greater emphasis on quality jobs with livable wages. To permit applicants to develop and create quality jobs, we are giving you more money to do this. Applicants now have a cost per job of \$15,000 if a project does not involve construction and \$20,000 if a project involves construction.

C. Ninety percent of all created jobs must go to low-income individuals in economically distressed communities.

As we get back to guiding you through the FY 2008 announcement, keep in mind that OCS wants all new projects to be viable, and have addressing the barriers to economic self-sufficiency as their primary goal.

LEANNA:

5. THIRD-PARTY AGREEMENTS & THIRD-PARTY FINANCIAL VIABILITY

The fifth criterion is third-party agreements and third-party viability. Our preliminary evaluations of the CED program have shown that the projects that are most successful are those which have several financial, social service support, and referral partners working together.

The application should contain documentation of all signed third-party agreements between the third-party and the applicant. The third-party agreement must clearly outline the technical and financial assistance that will be provided by the grant applicant. Here are a few elements that the third-party agreement should contain, but please refer to the program announcement for the complete list of elements:

The grant applicant has the right to screen program participants for jobs and do eligibility verification; if the applicant is investing equity of 25% or more in the business partner, that it has representation on the board of directors; a detailed description of the method (s) to provide to the third party support and technical assistance in areas of recruitment and retention of low-income individuals.

THOMAS:

The review panel will also look to find:

A **signed** statement from a ***Certified or Licensed Public Accountant*** as to the capability of the third party's financial management system and financial statements for the *prior three years*, collaboration agreements from public assistance and other agencies providing referrals and resources to the project, particularly local child support agencies, TANF and employment education and training programs and documentation that illustrates organizational experience related to employment, education and training programs for low income persons.

The beneficiary referral agreements should include:

Goals and objectives of the applicant, TANF and other involved agencies,

Detailed activities and actions that will be used to integrate all services,

The target population that this collaboration will serve,

The mechanism to be used in the coordination of events,

The relationship of all the activities regarding the goals and objectives to be achieved through the collaboration and

A description of the significance of the activities in regards to the success of the project.

CATHI:

6. COOPERATIVE REFERRAL AGREEMENTS

The reviewers will look for how well the applicant documents collaboration agreements from public assistance and other agencies providing referrals and resources to the project including local agencies responsible for administering child support enforcement, TANF, and employment education and training programs (i.e., Department of Labor's ETA-funded One-Stop Career Centers).

Also, reviewers will look for written agreements from the local TANF or other employment education and training offices, and child support enforcement agency indicating what actions will be taken to integrate/coordinate services that relate directly to the project.

The beneficiary referral agreements should include:

The goals and objectives that the applicant and the TANF or other employment education and training offices and what are the child support enforcement agency expectations to achieve through their collaboration;

The specific activities/actions that will be taken to integrate and coordinate services on an ongoing basis;

The targeted low-income population that this collaboration will serve;

The mechanism(s) to be used in integrating/coordinating activities;

How those activities will be significant in relation to the goals and objectives to be achieved through the collaboration; and

How those activities will be significant in relation to their impact on the success of the CED-funded project.

7. EVALUATION

Another change from previous announcements that we have made is separating the points available for the evaluation component into distinct points for the identification of an independent third-party evaluator and an evaluation plan.

The applicant's plan should explain: (1) how the applicant proposes to answer the key questions about the effectiveness of the project's implementation; (2) whether the project activities or interventions achieved the expected immediate outcome,

and why or why not (process evaluation); and (3) whether and to what extent the project achieved its stated goal, and why or why not.

Together the process and outcome evaluations should answer the question, "What did this project accomplish; and why was the project successful or why was the project not successful?"

The second part of the evaluation component asks for the identity and qualifications of the proposed independent third-party evaluator, or if not selected, the minimum qualifications and position description for the third-party evaluator (i.e., person with recognized evaluation skills who is organizationally separate from and not under the control of the applicant, and whose qualifications should include successful experience in evaluating social services delivery programs and the planning and/or evaluation of programs designed to foster self-sufficiency in low-income populations).

THOMAS:

8. ORGANIZATIONAL PROFILES

Here you need to show your organization's capability and relevant experience in developing and operating similar programs to those addressed by your project.

Document organizational experience that summarizes at least two projects previously undertaken by your organization earlier. Less experienced organizations wishing to apply for CED funding should consider partnering with an experienced organization which has successfully completed similar community economic development projects for low-income populations in distressed communities.

Further if the applicant has successfully completed projects funded by OCS, it should cite them by providing the grant number, project period, and outcomes.

9. STAFF AND POSITION DATA

In regards to staff, applicants should present a team with the necessary relevant experience that can support the projects needs. The experience and capacity of the executives and volunteer leaders and key staff should be reflected either through resumes or proposed job descriptions to be used with the persons to be hired. In order to be successful at job creation over an extended period of time, it is critical that the staff of the CDC have the pertinent skills and operate a quality program.

GERALD:

10. BUDGET AND BUDGET JUSTIFICATION

Non-CED Commitments

Applications will be rated on how well the applicant provides evidence of all capital requirements and methods for obtaining needed resources. This includes evidence of adequate non-CED financing required to fully implement the project: e.g., evidence of loans, municipal or state tax credits, equity investments, or other supporting grants. Cash resources such as cash or loans contributed from all project sources (except for those contributed directly by the applicant and supported by an applicant financial statement of cash available) are clearly documented by letters of unconditional financial commitments from third parties making the contribution.

Budget Justification

The budget should demonstrate how well applicants show that the Federal funds requested are commensurate with the level of effort necessary to accomplish the goals and objects of the project.

The application should include a narrative detailing the breakdown for each of the budget categories in the SF 424A. The applicant should present a reasonable administrative cost. The budget should not provide for more than 40 percent of the requested funds for training and technical assistance activities to support the project design.

In addition, the budget includes travel for two staff persons to attend a training and technical assistance conference in Washington, D.C.

If the applicant is partnering with an experienced CDC, the budget should support the costs necessary to cover this support.

Bonus Points

The final section of this year's application is the bonus points section. Applicants will receive five additional bonus points if they propose a project in the underserved states of Iowa, Nebraska, Nevada, North Dakota, Utah or Wyoming. Applicants will also receive five bonus points if they propose projects in one of the high growth initiatives sectors as discussed in the beginning of this conference call.

RAFAEL:

Thank you LEANNA, CATHI, THOMAS, GERALD and CAROLALENE for guiding us through our many changes in what we are asking from this year's applicants.

CATHI, what happens once an application has been submitted?

CATHI (*answers*)

Well let me say that all applications are initially reviewed for timeliness and whether the amount requested in the application exceeds the ceiling amount of \$700,000. If the application is late or requests more than \$700,000, then it will be disqualified from competition.

After the initial review, applications are assigned to panels of non-federal reviewers who are persons working in some aspect of the field of community economic development including: banking business development and non-profit management, to further review each proposal for logical soundness, content completeness, documentation of 3rd party agreements, site control and all non-federal resources.

A very important aspect of your application should be the inclusion of all documentation needed in order to support each one of your project statements and proposals.

For a complete-detailed list of requirements, please check the program announcement closely.

The easiest way to make certain that your organization is covering all the bases is by ensuring that you are complying with the CHECKLIST TABLE requirements

presented in the Submission Dates & Times section of the CED program announcement.

LEANNA:

The application must not exceed 60 pages which do not include the SF 424 forms, required assurances and appendix.

Please do not submit tapes or brochures with the application since these will not be duplicated for the panel review.

Applicants are reminded that, while you can use up to 60 pages to describe your proposal, clear, concise and well-organized writing makes it easier for the reviewers to read and understand. Applicants should emphasize the quality of their project rather than use repetitive language.

Reviewers will score applications based on how well the panel believes that the applicant has addressed each published criteria. The review panel awards points only to applications that are responsive to the program announcement.

Reviewer scores will weigh heavily in funding decisions, but are not the only factors that will be considered. Other important factors such as previous success or failure with OCS funded projects and geographic distribution is also taken into consideration. Highly ranked applications are not guaranteed funding.

We anticipate making awards no later than September 30, 2008. We will notify all unsuccessful applicants by mail by mid-October.

RAFAEL:

Thank you CED team for providing so many details and explaining the various changes that we have made this year.

Well, we have seen that in order to successfully compete this year all applicants need to have a clear understanding of the program goals and follow closely the requirements contained in this year's program announcement.

Remember to provide all documentation that demonstrates and assures compliance with all Federal requisites.

Please keep in mind that the purpose of the Community Economic Development or CED program is to create new employment and business development opportunities for low-income individuals and re-build economically distressed communities. And that only private, experienced non-profit Community Development Corporations, including those CDCs that are also Faith-based are eligible to apply.

Do not forget to submit all application materials by

WEDNESDAY, JUNE 25, 2008, no later than 4:30 pm eastern standard time.

We know we covered a lot of very important highlights and changes in today's presentation. If you have additional questions, please note that you can contact us at CED_TA@icfi.com that is CED_TA@icfi.com

This outreach conference call will be available on the CED website no later than Friday, May 23rd if you need to hear it again.

I would like to thank you, as well as our team of community development specialists for their assistance today.

THIS CONCLUDES TODAY'S CONFERENCE CALL.

THANK YOU